KWE CANADA COMPLIANCE

MEMO 2010 . III

1. **Manufacturing Inputs and Machinery and Equipment Imports**: **The Government of Canada in its 2010 Budget has eliminated or reduced the rate of duty payable on certain manufacturing inputs and certain machines and equipment used in the production of goods.** This phasing-out of duty, either immediately or by steps, is being done in the name of stimulus and the lowering of trade barriers. A great many manufacturing inputs and machines used in the production of goods in Canada had been imported duty free, before. But now, effective 5 March 2010, 1160 types of manufacturing inputs and machines or equipment that used to attract duty may be imported duty free; and a further 381 types of manufacturing inputs and machines or equipment used in the production of goods will have the rate of duty in effect before the 2010 Budget reduced to free by 1 January 2015, in 5 reduction steps.

Duty is elimated on the following manufacturing inputs, among others: ***certain*** building stone and materials; petroleum products; chemical products and inorganic and organic chemicals; pigments and paints; printing inks; resins, tars and solvents; finishing agents and dyes; primary forms plastics; plastic pipes, sheets, plates and foil; primary form rubber; rubber pipes and belts; hides, skins, leathers and furskins; wood veneer sheets, boxes, crates, pallets, casks and barrels; woven wool, cotton, man-made, staple-fibre fabrics; non-woven fabrics; glass fibres; precious metals in un- and semi-manufactured forms; iron or steel pipes and fittings: iron or steel tanks, vats or containers; base metal chain, bars, rods, wire, tubes, pipes, screws, bolts, nuts, staples, pins, nails, tacks or pipe fittings; base metal locks; base metal flexible tubing; base metal stoppers, caps or lids; ball bearings; water pump type bearings for use in cars, trucks or buses; and bearing housings incorporating ball bearings; and spark plugs, magnetos, distributors or coils.

Duty is eliminated on the following machines and equipment, among others, used in the production of goods: ***certain*** central heating boilers; non-diesel engines and parts for engines; hydraulic turbines, turbo-jets, propellers or gas turbines; air-conditioning machines; centrifuges and centrifugal dryers; horticultural/forestry type machines; grain cleaners; crumblers and mixers for feed preparation; vibratory screens; brewing fermenting tanks; fruit, nut and vegetable preparation machinery; offset printing machinery with an image less than 2413 centimeters squared; lathes; machine tools; pneumatic tools, machinery for working rubber or plastics; telescopic sights, periscopes, lasers and surveying instruments; parts for drafting tables; and gas, liquid or electricity meters.

Duty will be reduced in increments, to free by 2015, on, among other things: ***certain*** organic and inorganic chemicals; tanning or dyeing extracts, dyes, pigments and couling matter; primary form plastics and plastic articles; wood particle board; plywood, veneered panels or laminated wood; carded or combed wool yarn; wool fabrics; cotton thread or yarn or fabrics; man-made fibre thread; synthetic filament yarn or fabrics made therefrom; polyester or aramid staple fibre sewing thread; synthetic staple fibre yarn; artificial staple fibre yarn; synthetic staple fibre woven fabrics; artificial staple fibre woven fabrics; wadding; felt; quilted cotton piece goods; tire cord fabric; plastics impregnated, coated, covered or laminated fabrics; rubberized textile fabrics; transmission or conveyor belts; pile fabrics; knit fabrics; aluminum foil; aluminum pipe fittings; steam boilers; auxilliary plant for boilers; hydraulic turbines; pumps for dispensing gasoline, diesel, LNG or propane; machinery for working rubber or plastics; electric

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generating sets; automatic circuit breakers; junction boxes or metal receptacle boxes; and insulated wire or cable.

PLEASE CONTACT ME FOR FURTHER INFORMATION

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